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WALL STREET

**The Paper Blizzard** JOURNAL

One of the consequences of Treasury's neglect of international economics has been a movement by the State Department to take control of what little foreign economic policy the nation has left. Since Secretary Kissinger now so prominently represents U.S. economic interests abroad, there are some things about the job he should know.

First of all, those large problems of oil and other commodity prices that the Secretary wants to solve through confrontation-cooperation between producers and consumers are not entirely the product of political scheming. They have their origins, as do many others of the current economic problems of the world, in a single source, the instability of world currencies. A more productive route to their solution, we suggest, would be to attack the source rather than the symptoms.

As Yale economist Robert Triffin has pointed out so many times, the world-wide inflation of the last seven years has been fueled by national and international monetary and credit expansion far exceeding what could be absorbed by actual increases in production. The official monetary reserves of the world's central banks have exploded from \$78 billion on January 1, 1970 to \$209 billion on September 30, 1974.

With that kind of liquidity pouring into the international system, rapid price increases were inevitable. It happened that the oil cartel had the clout and timing to put itself at the head of the line; but without denying for a moment that there

really is a cartel, the increase in the price of oil is more the symptom than the cause of our difficulties. If further mounds of international liquidity continue to grow, there will continue to be price increases in oil and other commodities. Can Mr. Kissinger's diplomatic skills stem the tide?

We think not. In Paris this week, the Secretary seems to be committing himself to spending a lot of time in the forums of the International Energy Agency and the Organization for Economic Cooperation and Development talking about commodity price agreements with the Third World. Price stability is indeed a high goal, but to achieve it, we would suggest different talks in different forums.

It would be more productive to employ that time with the central bankers and finance ministers of the IMF and the Bank for International Settlements with a view toward finding some means of controlling the paper currency blizzard. More importantly, Mr. Kissinger should come back home and tell the U.S. Congress how the dollar has gotten to be such a weak instrument of U.S. economic diplomacy and how Congress could help make it stronger. That would serve a greater purpose than blaming our troubles on greedy cartels.

Unsound money is the root of much of the world's present evil and unrest. When our State Department, our Congress and our allies all come to that realization, we will have the beginnings of a foreign economic policy.

# NATO's Summit

NY TIMES

5-29-75

NY TIMES

5-29-75

The third summit conference in 26 years of the West's grand alliance is designed to impress Europe with America's steadfastness, America with Europe's confidence and Moscow with both—lest the Kremlin seek to exploit the West's economic crisis and America's setbacks ranging from Vietnam to the Mediterranean.

Weeks of verbal reassurances on both sides of the Atlantic preceded President Ford's current meeting in Brussels with his fourteen NATO allies. Yet, "official protestations notwithstanding, the Europeans need to be persuaded that they can still count on the Americans," writes London's Economist. More than words clearly will be necessary. Denials that a problem exists are the most counterproductive of all. If there were no concern, there would be no summit meeting, nor the actions on both sides of the Atlantic that preceded it. It is in those actions, rather than the words that accompany them, that hope for the future lies.

The measures the concerned NATO allies have taken in recent days to shore up their position are far from insignificant.

Britain's debilitating debate over unity with Europe is moving, the polls indicate, toward a resounding vote next week for continued Common Market membership. France's President Giscard d'Estaing is starting back toward European monetary union and closer cooperation with NATO and the United States; Italy at last getting its economy under control and withdrawing its objections to a common floor price for oil for the eighteen nations in the International Energy Agency. Inflation is subsiding almost everywhere in the West and coordinated economic policies, pressed by West German Chancellor Helmut Schmidt, presage an economic upswing this year.

Divisions between the Ford Administration and Congress have been eased by improved consultation and Congressional support for the President's Mayaguez action, for essential defense appropriations and for the present level of American troops in Europe.

The Common Market has offered substantial aid to Portugal on condition that movement toward democracy resumes. The embattled Portuguese Socialists are getting increased support from Europe's socialist parties. Greece and Turkey are negotiating again over Cyprus and their other quarrels.

American initiative has opened the way for more imaginative policies by the industrial nations on raw materials, development aid and renewed dialogue with the oil-producing countries, and in stimulating further action among the major oil consumers on conservation and development of alternate energy sources.

The decline of the West, the advance of Communism and the radicalization of the developing nations can be halted by measures of this kind and the realistic pursuit of limited détente, arms control and a negotiated settlement in the Middle East. The key lies in action, not words, in American steadfastness, in support for European unity and the perception everywhere that the United States remains determined to stay the course.

S-29-75

By William Safire

WASHINGTON—Six weeks ago, a suggestion was made in this space that the European security conference—a proposed 35-nation supersummit to legitimize that Soviet conquest of Eastern Europe—be postponed.

In response, a Moscow radio commentator wrote a letter to The New York Times complaining of "certain forces attempting to undermine the process of détente" and holding that my essay "was misleading in its emphasis that détente in Europe and the successful conclusion of the European security conference are advantageous only to the Soviet Union."

On the same day, the Soviet news agency Tass disseminated a blast by a Soviet weekly denouncing "slandorous statements" trying to "discredit the most representative forum in the life of Europe" but assuring one and all that "the work of strengthening European security in the interests of millions will not, repeat not, be stopped."

Evidently the supersummit, tentatively scheduled for Helsinki in July, has extraordinary meaning to Soviet planners, who long to tie up the loose ends of conferences held a generation ago in Yalta and Potsdam.

To entice the West Germans into participating, the Russians agreed two years ago not to try to grab Berlin; to bring the United States along, the Soviets agreed to begin talks about Mutual and Balanced Force Reduction (MBFR) in Europe.

But the reduction-of-forces talks have been a fraud: No progress has been made toward agreement on a ceiling for NATO and Warsaw Pact troops in Europe. One might think that the U.S. response would have been: "We will hold the conference you want on European security as soon as you agree that both superpowers begin pulling back troops."

Not so. We have lost sight of the *quid pro quo* that originally induced our agreement to go to a supersummit, and muddled it into a detentified hope that maybe the Soviets will be nice about the Middle East, or SALT, or whatever. U.S. officials split hairs by pointing out that progress on force reduction was never linked to the Soviet-desired supersummit; with more logic, they add that Soviet generals are hardly likely to let Mr. Brezhnev negotiate a SALT agreement and an MBFR agreement simultaneously.

If SALT comes first, fine; but that is no reason to throw away a good lever to pry a mutual force reduction agreement out of the Russians later. A SALT agreement is in both superpowers' interest, and need not be sweeter.

summit concessions; after détente brings us SALT II, then we can address ourselves to European security.

Opportunity presents itself by coincidence. In 1968, at a NATO meeting in Reykjavik, the idea of asking for Mutual and Balanced Force Reduction was cooked up in answer to Majority Leader Mike Mansfield's pressure to reduce U.S. forces in Europe unilaterally. MBFR was originally devised more to stop the Mansfield Amendment than to get the Russians to pull their troops back in Europe.

But this year, because the U.S. looks so weak after Indochina disasters; Mike Mansfield has not asked Congress to pull troops out of Europe. As a result, the Soviets actually have an incentive to negotiate the removal of some U.S. troops. Next year, an election year, Congress can be expected to continue to present a "don't-call-us-isolationist" front, and the Soviet incentive for a mutual force reduction may increase.

At the same time, the Russians will

## ESSAY

still be hungry for their supersummit to legitimize East European borders, whether or not Brezhnev continues in power after next February's party Congress. A deal could then be put in place—perhaps by new faces all around—to follow up the 1975 SALT II agreement with the 1976 European security agreement, a corollary of which must be the mutual reduction of ground forces.

Right now, our force-reduction position is to insist that the U.S.S.R. begin by pulling back 60,000 men plus equipment to our 28,000 men and no equipment. But our proposal was put forward to counter Mike Mansfield, not seriously to engage the Russians in negotiations; since the Congress has withdrawn its threat to pull out unilaterally for the time being, might it not be a good time for the U.S. to get serious with the Soviets and put forth workable proposals toward a common ceiling?

In Brussels this week, let us decide to postpone the 35-nation Helsinki supersummit. (We just can't make it in July; and all Europe goes on vacation in August; and in September, there's the big U.N. session to occupy everybody; and who goes to Helsinki in the winter?)

Détente is not dead, only in need of resuscitation. This summer, we can ease tension in the Middle East. This fall, we can work on SALT. And next spring, as candidates bloom in the primaries, we can trade a European security conference for genuine progress in reducing the number of soldiers facing each other across the

NY Times 5-29-75

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## ISRAEL REBUFFS APPEAL ON BOOK

Writer Is Denied Access  
to Work on Kissinger

By TERENCE SMITH

Special to The New York Times

JERUSALEM, May 28—The Israeli military censor has rejected an appeal by an Israeli journalist for access to the confiscated manuscript of his book on Secretary of State Kissinger's Middle East diplomacy, the lawyer for the journalist said today.

The journalist, Matti Golan, offered to rewrite and edit the banned book under the censor's supervision, the lawyer said, but this proposal was rejected in protracted negotiations last week.

As a result, the lawyer served formal notice on the censor today that he would seek an order from the Israeli Supreme Court next week directing the Government to show cause why a censored version of the book should not be published.

A spokesman for the censor's office confirmed that there had been discussions with Mr. Golan and his attorney about the book, but he declined further comment.

### Disparaging Remarks

A book, titled "Confrontation and Disengagement," is reported to contain minutes of conversations between Mr. Kissinger and Israeli ministers in which the Secretary of State made disparaging remarks about the leaders of Egypt, Syria, the Soviet Union, Japan and other countries.

In a highly unusual move, the Government earlier this month banned publication of the book and confiscated all five manuscript copies known to exist. On the orders of Premier Yitzhak Rabin, reports of the censorship were banned as well. That ban was lifted only when the censor learned that a report of the incident was about to appear in The New York Times.

The censor has yet to explain why the entire manuscript has been banned, except to contend that its publication would harm the security of the nation.

Mr. Rabin reportedly contended to the Cabinet that publication of the book would seriously damage Israeli-United States relations, threaten to disrupt the delivery of American arms to Israel and conceivably even force the resignation of Mr. Kissinger.

On these grounds, the Government took the unusual step of suppressing the entire manuscript rather than just selected parts.

### Lawyer Challenges Censor

In a lengthy formal letter sent today to the censor, Premier Rabin and other officials, Mr. Golan's lawyer, Arieh Marinsky, contended that the censor had abused his authority under the law by censoring the book on political rather than security grounds.

Mr. Marinsky conceded that certain passages of the book might prove embarrassing to Mr. Kissinger, but he contended in the letter that the censor "must not use censorship in order to prevent the public from knowing the true character and moral image of either an Israeli or foreign public figure while simultaneously permitting publications that are favorable to those figures."

THURSDAY, MAY 29, 1975

Wash Post

Victor Zorza

# Russia Views the Revolution

A new Kremlin analysis of revolutionary prospects in the capitalist world concludes that there is now "a realistic possibility of carrying out an offensive strategy of class struggle" in a number of capitalist countries.

The analysis, published in the leading Soviet party journal, *Kommunist*, denounces those who "underestimate" the present crisis of world capitalism. They "ignore" the favorable conditions for the "upsurge of the workers' movement," it says, and they "belittle" the new opportunities for the struggle against imperialism.

But the same article warns against "the adventurist doctrine of the export of revolution" and denounces, for good measure, the "extremists" and the "leftists" who call for "a purely proletarian revolution." The official Soviet line is, obviously, somewhere between the two views *Kommunist* denounces. It is a line that is constantly shifting, as if in response to the changing opportunities presented by the West's disarray and to the Kremlin's own debate on how to exploit them.

The ups and downs of the debate, which can be traced between the lines of speeches made by Soviet leaders on the "crisis of capitalism," do not conform to the ups and downs of the crisis itself. Last year Boris Ponomarev, the Politburo member responsible for the world Communist movement, was saying that some link of the capitalist system may now snap at any moment to open the way to radical changes. The crisis of capitalism, he was telling the world's Communists, presented them with a greater opportunity than they had ever had.

But as the economic crisis deepened, and Portugal began to look like the link that might snap at any moment, Moscow began to warn foreign comrades that by going too far too fast they could provoke a right wing fascist reaction. Conditions were not yet ripe for revolution, it told them. The "political maturity" of the working class and its "degree of organization," a Moscow journal explained, were still too low to make full use of the crisis of capitalism. The Kremlin, this column concluded at the time, was postponing the revolution.

*Kommunist* now retorts that this conclusion is unwarranted. Marxist-Leninists "are not postponing the revolution," it maintains, and describes the column which said so

*"The article's insistence on gradual, 'creeping' revolution, whose progress would depend on the willingness of the 'allies' to be gobbled up, amounts to the postponement of the revolution."*

But the main ideological journal of the Soviet Communist Party would hardly publish a 10-page article just to refute a column which few of its readers could have seen. It must be assumed that *Kommunist* was really taking this opportunity to clarify the party line for the comrades, both inside the Soviet Union and outside, who might have been confused by the recent zigzags.

While denying that the Kremlin has postponed the revolution, the *Kommunist* article does not exactly call the comrades to the barricades. While it denounces those who "preestimate the crisis of capitalism," *Kommunist* is even more concerned that the revolutionary opportunity presented by the crisis should not be overestimated. It explains that the crisis is "protracted" in character and that periods of pressure on capitalism alternate with counter-revolutionary waves. Only in "the final analysis" it repeatedly argues, will revolution become possible.

Thus the present economic crisis could "in the final analysis" shake the capitalist system, "but it would be absolutely wrong to assume" that there is a direct link between each such crisis and revolution. Leninism, *Kommunist* argues, is against the "artificial exaggeration" of any such linkage. "In the final analysis" the masses will take revolutionary action against the capitalist system, but the revolution will occur in two stages, the "democratic" and the "socialist."

During the first stage, the greatest importance is to be attached to finding allies outside the Communist Party, in the "middle strata" and in the armed forces, however unlikely such allies may seem. The article repeats Lenin's passionate injunction that Communists should seek allies at any price, and make use of any contradiction between their enemies.

They should exploit "any crack, even the smallest," that may appear

"any possibility, even the smallest" to find an ally—even if he should be "temporary, fickle, unstable, unreliable, conditional." Anyone who doesn't understand this "has understood nothing about Marxism," as Lenin himself said, and as *Kommunist* reminds the comrades—and noncomrades who may be listening.

This stress on "democracy" first means that the Kremlin does not want the "socialist" stage of the revolution just yet, not even in Portugal. The insistence on gradual, "creeping" revolution, whose progress would depend on the willingness of the "allies" to be gobbled up, amounts in effect to the postponement of the revolution. The prospective allies may prove less digestible than the Communist expect, as is being demonstrated just now by the leader of the Portuguese Socialists, Mario Soares. They may even pose a threat to the Communists' claim to lead the working class, as is being shown by the French Socialists.

The Communist debate on the party's relationship with its allies is as old as the party itself. Should the party strike quickly, without allies, while the iron is hot? If it waits for others to join it, the opportunity may pass. If it rushes ahead, it may find itself isolated, lacking public support, exposed to rapid defeat. If it works too closely with its allies, they may engulf it, and its revolutionary identity and organizational cohesion may become diluted.

All these things have happened in previous revolutionary situations, and the *Kommunist* article should be seen in the historical setting provided by them. In denying that the Kremlin has postponed the revolution, while making it clear that the time is not yet ripe for it, *Kommunist* reflects something of the hesitations attending the internal Soviet debate on how to exploit "the deepening crisis of capitalism."

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THE WASHINGTON POST  
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Joseph Kraft

## Energy Choices

President Ford probably made some political hay the other night when he lashed out at the Democratic majority in Congress for failure to enact an energy bill. But that does not make the President's program any good.

On the contrary, the severity of the recession and the administration's new enthusiasm for appeasing foreign oil producers combine to make Mr. Ford's package even worse than it first appeared. So the right Democratic action is to get behind the best alternate program, which is the one associated with chairman Al Ullman of the House Ways and Means Committee.

The starting point for making choices on energy is the plan submitted by President Ford last January. It basically calls for a rise in oil prices in order to cut American consumption and stimulate more American production.

The prices would be increased primarily by placing a fee, due to rise to \$3 a barrel, on imported oil. All domestic oil would be decontrolled, thus allowing it to rise to the level of imported oil.

At the time that plan was put forward, Mr. Ford and Secretary of State Kissinger were talking tough to the major foreign oil producers. Cutting back American consumption and stimulating American production looked like good devices for creating the oil glut which could be used to break the producers' cartel.

Since then three different events—the visit of the Shah of Iran, the President's TV interview on BBC last weekend and the call for a meeting of producers and consumers by Dr.

Kissinger in Paris Monday—showed that the administration is going to turn the other cheek to the big foreign producers. Far from being under pressure to break up the cartel, the Shah of Iran and the King of Saudi Arabia are now being given notice the United States can live with high oil prices.

The price increase previsible if the President's plan went through would be particularly bad in the months ahead. Since last January, the recession has deepened in severity. It is not even clear that the massive \$16 billion stimulus in tax cuts and rebates voted by the Congress will be enough to set in motion a strong recovery.

But if President Ford's plan went into effect, the stimulus to the economy enacted by the Congress would be wiped out. The money the American consumer is supposed to plow back into the American economy would be in large part drained off to foreign oil producers. Recovery might be aborted entirely and would surely require massive new stimulus.

Almost anything is better than that program—a fact which President Ford seems to recognize. He keeps putting off the full imposition of his program, the better to use it as a horrible example to scare the Democrats. Even the other night, while professing to be almost at the end of his tether, the President put off for future enactment the decontrol of all oil. In effect he is still giving the Democrats an opportunity to come up with their own program.

Of the many possible Democratic programs, the one associated with Mr.

Ullman commends itself on several grounds. It holds prices down and directly limits foreign imports—which the Ford program does not do. While providing for some price rise through a gas tax, it limits the amount of the tax during the recession and provides ample rebates to needy persons. It uses the tax system to cut down production of gas-guzzling cars and to promote a switch to the one alternative fuel that can come onstream rapidly—coal.

More important, the Ullman bill is passable. It has already cleared, as no other bill has, one committee in the House of Representatives. It has had the on-and-off support of the President—which is probably essential to passage of any measure.

The big hang-up is within the Democratic Party. Some liberals, including many freshman and a few labor representatives, object to the bill on the grounds that it does not tax the energy companies. With their party split, Speaker Carl Albert and Majority Leader Thomas O'Neill have not gone along with Mr. Ullman.

But the Democratic leaders can surely see that a slight tax break for the companies, which could be recaptured in later legislation, is preferable to a big giveaway for the foreign producers. Once this point is grasped, the Ullman bill can almost certainly get by the House. In that way, the Democrats would save themselves from the President's do-nothing charge while saving the country from the abomination that is Mr. Ford's program.

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# Diplomacy in Impatient Era

WASH POST  
5-24-75

By Murrey Marder  
Washington Post Staff Writer

BRUSSELS, May 28 —

President Ford arrived in Europe tonight as a novice in geopolitics at a crossroads era in international diplomacy. But as every postwar American president, he is automatically required to lead.

The Atlantic Alliance is in a sensitive transitional stage, plagued with problems at the summit conference of the North Atlantic Treaty Organization which opens here Thursday. At the same time, East-West detente faces a crowded summer of negotiations that encompass critical American and Soviet interests.

The United States is simultaneously seeking to recoup major setbacks to its prestige in Indochina and in the Middle East. And, as Secretary of State Henry A. Kissinger said in Paris this morning, "the industrialized nations are now experienc-

## News Analysis

ing the most serious economic crisis since the Great Depression of the thirties."

These complexities become linked through the force of circumstances.

In the Nixon administration, diplomatic "linkage" of different problems in East-West relations was championed by Kissinger as the cement of East-West detente. The concept, which the Soviet Union initially looked upon warily, then joined, was designed to produce a web of interests that would discourage super power confrontations.

Linkage, however, stretched across the East-West dividing line in ways that no one anticipated, as the Cold War turned into detente. Almost every nation is a player in the new global game, and linkage can checkmate, as well as advance, moves on the diplomatic chessboard.

In the weeks ahead, the United States and the Soviet Union can enhance, or frustrate, each other's objectives for convening this fall the already delayed Washington summit conference between President Ford and Soviet leader Leonid I. Brezhnev. All either side has to do is drag its feet on resolving the difficult technical differences for completing the U.S.-Soviet nuclear weapons control accord projected in the Ford-Brezhnev meeting in Vladivostok last November.

The two superpowers also can readily checkmate each other on convening a Middle East conference in Geneva to replace Kissinger's stymied shuttle diplomacy. It was tempting for the Soviet Union to play one-upmanship with the United States by insisting on the multinational Geneva forum as the only logical place to make progress, but the Soviet Union now is moving warily for fear of demanding and getting a Geneva conference that will be a fiasco.

Additionally, the Soviet Union is pressing anxiously for a 35-nation European security summit conference in Helsinki this summer, to climax its generation-long drive to sanctify the post-World War II borders dividing Europe. But this requires a consensus, giving extraordinary blocking power to the smallest nations in Europe who participate in the conference.

At the same time, the United States is under challenge to give NATO a new cohesion. This involves helping to overcome the alienation of Greece and Turkey over the Cyprus crisis. Ankara's dismay over the arms embargo which Congress imposed upon it is producing Turkish threats to force the United States out of major intelligence-gathering bases on the Turkish-Soviet

ally with a government includes powerful Communist elements, participating in an anti-Communist military alliance.

"All elements of our strategy are linked," Kissinger told the 13-nation International Energy Agency in Paris yesterday. He was speaking specifically of American policy to cope with the energy crisis which he said the United States recognized in 1974 as "the most severe challenge to industrial civilization since the Second World War."

His linkage terminology could have applied as well to the whole range of American policy goals. Kissinger told reporters that the energy conference, plus the subsequent Paris foreign ministers meeting of the organization for Economic Cooperation and Development, and Thursday's NATO summit represent "a kind of architecture of the structure of the world as we can foresee it developing."

President Ford, in a televised interview with European newsmen last week, expressed confidence that by the end of his unelected term there will be identifiable "Ford administration" mark on international affairs.

To Europeans, the President is still an unknown quantity. His directness and openness arouse curiosity and questions, as does his inexperience in global strategy. There is no time this week for casual on-the-job training. He starts here with a quizzical group of western European leaders, mostly preoccupied with varying domestic presures, looking for reassurance that the United States will not neglect their individual vital interests.

No spectacular initiatives by President Ford are anticipated, but a display of leadership is. Europeans have their own model of a man who was catapulted into the American presidency without any international reputation, and became more admired in Europe than he was in many sectors of the United States. He is also the model to whom Gerald R. Ford aspires, Harry Truman.

and the start of the postwar era. And yet, in retrospect, the choices Truman had to make were simpler in many respects. American strength was so overwhelming that the United States had lopsided control over the fate of the West, and military supremacy over the East.

This, however, is an era of greatly diminished U.S. predominance in the West, relative nuclear weapons parity with the Soviet Union, and Western vulnerability to the oil power of Arab nations who have thrust themselves suddenly into the new global economic arena.

Perhaps most important, President Ford lacks even an electoral mandate to lead the United States, much less the West. He must bargain constantly with a Congress determined to cut back presidential secrecy and power built up through the postwar years. Moreover, Congress is imposing its own will, particularly in foreign affairs.

Every major move that President Ford makes in Europe inescapably will make wary European leaders look over his shoulder to ask, "Who really speaks for the United States?" This was exemplified when the President, landing in Brussels tonight, pointedly noted that the American commitment to NATO "has the unwavering support of the American public and of our Congress."

Kissinger no longer offers the aura of super diplomat which Mr. Ford counted on heavily to protect his administration from challenge in foreign affairs. Kissinger is now an open target on Capitol Hill with his judgments questioned and his strategy disputed.

For Kissinger, however, the last two days in Paris produced a measure of recouped prestige, from Europeans who generally rate him higher these days than do many of his countrymen.

Kissinger was again at the center stage at the conferences on energy and on economic cooperation. American proposals were the centerpieces of both conferences, which Kissinger today counted as auspicious starts on the road to restored faith in American leadership.